

2005
PINE TREE DEVELOPMENT ZONE
TAX CREDIT WORKSHEET INSTRUCTIONS

General Instructions

What is the Pine Tree Development Zone income tax credit? The credit is available to certain businesses that expand or begin operations in a designated area of the state targeted for the need for economic growth. For details about the program, visit: www.maine.gov/revenue/incomeestate/PTDZ.

Who must complete this worksheet? Corporate taxpayers claiming a Pine Tree Development Zone ("PTDZ") income tax credit must calculate the amount of the credit using this worksheet. Individual taxpayers claiming a PTDZ credit from either a sole proprietorship or a pass-through entity (partnership, S corporation, etc.) must calculate the amount of the credit using this worksheet and Worksheet PTE. This worksheet (and Worksheet PTE, if required) must be attached to the taxpayer's Maine income tax return along with a copy of the Pine Tree Development Zone certificate issued by the Department of Economic and Community Development.

What does this worksheet do? This worksheet calculates the Pine Tree Development Zone apportionment percentage for those entities that have qualified and non-qualified business activity. The worksheet also calculates the application of the PTDZ income tax credit for all qualified businesses. Individuals claiming this credit must also complete Worksheet PTE, which apportions the taxpayer's income between business and nonbusiness sources.

For more information about the Pine Tree Development Zone program and the related benefits, see Maine Revenue Services guidance on the Pine Tree Development Zone income tax credit available at: www.maine.gov/revenue/incomeestate/PTDZ.

Specific Instructions

Note: Individual taxpayers may skip lines 1 through 6 and enter the amount from Worksheet PTE, line 9 on line 7.

- Line 1.** Enter the value of qualified property located in a Pine Tree Development Zone. Qualified property used in a qualified business includes all real and tangible personal property directly associated with the qualified business activity and placed in service in a PTDZ after the entity becomes a certified PTDZ business. Excluded from this amount is the value of property transferred by an affiliated business to a PTDZ from a non-zone location in Maine. Property is valued at cost and is determined by averaging the property owned or rented at the beginning and the end of the tax year.
- Line 2.** Enter the value of all property located in Maine and owned or rented by the entity or by affiliated businesses.
- Line 3.** Enter the compensation paid to new employees engaged in a qualified business activity in the Pine Tree Development Zone. Compensation of employees transferred by the business or an affiliated business to a PTDZ from elsewhere in Maine must be excluded from this line.
- Line 4.** Enter the compensation of all Maine employees of the business, including Maine employees of affiliated businesses.
- Line 7.** Corporate taxpayers enter the result of line 5 divided by line 6. This is the ratio of qualified to non-qualified business activity for the corporation. Individual taxpayers enter the amount from Worksheet PTE, line 9. This is the ratio of qualified business activity to the taxpayer's overall activity, including nonbusiness income. For example, if an individual is claiming a PTDZ credit of 100%, but only 50% of the taxpayer's income is from the business, the taxpayer is only entitled to a credit against the tax liability related to business income, or 50% of the total tax liability for the year.



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36 M.R.S.A. § 5219-W

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.) making an eligible investment, see instructions. Also, please provide name and ID number of the pass-through entity on the lines below.

NAME OF PASS-THROUGH ENTITY

EIN/SSN

Individual taxpayers that are members of pass-through entities skip lines 1 through 6 and see Worksheet PTE before completing line 7.

1. Pine Tree Development Zone property. 1. _____
2. All Maine property. 2. _____
3. Pine Tree Development Zone payroll. 3. _____
4. All Maine payroll. 4. _____
5. Apportionment numerator (line 1 + line 3). 5. _____
6. Apportionment denominator (line 2 + line 4). 6. _____
7. Pine Tree Development Zone apportionment percentage (line 5 ÷ line 6)
(If individual taxpayer, see instructions). 7. _____
8. Regular income tax (Form 1120ME, line 7a or Form 1040ME, line 23 less Schedule A,
line 3c). 8. _____
9. Maine minimum tax (Form 1120ME, line 28a or Form 1040ME, Schedule A, line 3a). 9. _____
10. Pine Tree Development Zone credit against regular tax (line 7 x line 8). Enter here and
on Form 1120ME, Schedule C, line 29o or Form 1040ME, Schedule A, line 17. 10. _____
11. Pine Tree Development Zone credit against Maine minimum tax (line 7 x line 9). Enter
here and on Form 1120ME, Schedule B, line 28b or Form 1040ME, Schedule A, line
3b. 11. _____
12. Total Pine Tree Development Zone credit (line 10 + line 11). 12. _____
13. Remaining tax liability available for other credits (line 8 – line 10). 13. _____
14. Total other credits available (Form 1120ME, Schedule C, line 29p minus line 29o or
Form 1040ME, Schedule A, line 19 minus line 17). 14. _____
15. Other credits used this tax year (enter the smaller of line 13 or line 14). 15. _____
16. Credits available for carryover (line 14 – line 15). 16. _____